FINANCIAL SECRETARIAT.

No. Fl. 5676-8—*I. T.* 41-28-2, *dated 25th January* 1929.

CIRCULAR.

1. The following Notification No. 37, dated the 1st September 1928 of the Central Board of Revenue which prescribes a revised procedure for applying for refund of income-tax under section 48 of the Income-tax Act, 1922, is hereby published for general information.

CENTRAL BOARD OF REVENUE.

NOTIFICATION.

INCOME-TAX.

Simla, the 1st September 1928.

No. 37.—In exercise of the powers conferred by section 59 of the Indian Income-tax Act, 1922 (XI of 1922), the Central Board of Revenue directs that the following further amendments shall be made in the Indian Income-tax Rules, 1922, the same having been previously published as required by sub-section (4) of the said section, namely :—

1. For rule 36 of the said Rules, the following rule shall be *substituted*, namely :—

36. In the case of a person resident in British India, an application for a refund of income-tax under section 48 of the Act shall be made in the following form :—

Application for refund of income-tax.

I, of

do hereby state that my total income computed in accordance with section 16 of the Indian Income-tax Act, XI of 1922, accruing or arising or received in British India, or deemed under the Act to accrue or arise or to be received in British India, during the year ending on the 31st March 19 , amounted to Rs. only.

I therefore pray for a refund of

(The portions not required should be scored out.)

Rs. under "Salaries".
Rs. under "Securities".
Rs. under "Dividends from companies".
Rs. under "Share of profits of the registered firm"
known as of which I am a partner.

Signtaure.

I hereby declare that I am resident in British India, and that what is stated in thi application is correct.

Dated 19 .

Signature.

2. After rule 36 of the said Rules, the following new rule shall be *inserted*, namely :—

36-A. In the case of a person not resident in British India, an application for a refund of income-tax under section 48 of the Act shall be made in the following form :—

Application for refund of income-tax.

I, of

residing at in (country)

do hereby state that my total income computed in accordance with section 48 (4) of the Indian Income-tax Act, 1922, during the year ending on the 31st March 19 , amounted to Rs. only, as per return enclosed.

I therefore pray for a refund of

(The portions not required should be scored out.)

Rs. under "Salaries".
Rs. under "Securities".
Rs. under "Dividends from companies".
Rs. under "Share of profits of the registered firm"
known as of which I am a partner.

Signature.

I hereby declare that I am a British subject. / subject of State being a State in India.
I also declare that what is stated in this application is correct.

Dated 19 .

Signature.

Sworn before me (Name)

Designation Signature at on

Seal.

NOTE.—The above verification shall be sworn before a Magistrate or other official of the State or a Politica Officer

3. After rule 37 of the said Rules, the following new rule shall be *inserted*, namely :—

37-A. The application under Rule 36-A shall be accompanied by a return of total income in the following form the details of Part I of which but not the total may be omitted if the person has already submitted a return under section 22 (2) for the same year.

PART I.

Statement of total income accruing or arising or received in British India, or deemed under the Act to accrue or arise or to be received in British India, during the previous year.

1 Sources of income		2 Amount of profits or gains or income during the previous year	3 Tax already charged on the income
		Rs.	Rs. a.
1. Salaries (including wages, annuity pension, gratuity, fees, commission, allowances, perquisites, including rent-free quarters) or profits received in lieu of, or in addition to, Salary or wages	See note (1)		
2. Interest on securities (including debentures) already taxed	,, (2)		
3. Interest on securities of the Government of India or of Local Governments declared to be income tax free	,, (3)		
4. Property as shown in detail in Schedule A	,, (4)		
5. Business, trade, commerce, manufacture, or dealings in property, shares or securities (details as in note 5)	,, (5)		
6. Profession	,, (6)		
7. Dividends from companies	,, (7)		
8. Interest on mortgages, loans, fixed deposits, current accounts, etc., not being income from business	,,		
9. Ground rent	,,		
10. Any source other than those mentioned above including any income earned in partnership with others	See note (8)		
	Total		
Deductions claimed on account of contributions to provident fund, etc., or insurance premia (see note 9).			

PART II.

Statement of total income, profits and gains in the previous year, arising, accruing c received out of British India, which, if arising, accruing or received in British India, woul be included in the computation of total income under section 16.

Name of Country	Sources of income		Amount of profits or gain or income during the previous yea
.....	1. Salaries ... . *	(see Note 10) ...	Rs.
.....	2. Securities ... ... *	(see Note 11) ...	.. ..
.....	3. Property ... ... *	(see Note 12) ...	.....
.....	4. Business ... ... *	(see Note 13) ..	.....
.....	5. Profession ... ... *	(see Note 14) ...	... ..
.....	6. Dividends from companies ... *	(see Note 15) ...	.....
.....	7. Interest on securities other than in item 2 above mortgages, loans, fixed deposits, current accounts, etc., not being income from business ... ... *	(see Note 16) ...	.....
.....	8. Ground rent ... ... *	... ...	.....
.....	9. Any source other than those mentioned above including any income earned in partnership with others	(see Note 17) ...	.....
		Total ...	.....
			Rs.
	Total as per Part I ...	... ...	.....
	Total as per Part II ...	... ...	.....
	Grand total	... ...	.....

Verification.

I declare that to the best of my knowledge and belief the information given in th above statement is correct and complete, that the amounts of income shown are truly state and relate to the year ended

and that no other income accrued are arose or was received by $\frac{\text{me}}{\text{the firm}}$ during th said year and that $\frac{\text{I}}{\text{the firm}}$ have no other sources of income.

Date..... Signature.....

N. B.—(*a*) *Income accruing to you outside British Inaia received in British Indic should be entered in Part I and not in Part II.*

(*b*) *All income from whatever source derived must be entered in the form includin income received by you as a partner of a firm.*

* The figures for each country should be separately shown.

NOTE 1.—In column 2 should be shown the gross amount of salary and not the net amount after deductions on account of income-tax, provident funds, etc.

NOTE 2.—"Interest on securities" means the interest on promissory notes or bonds issued by the Government of India or a local Government, or the interest on debentures or other securities for money issued by or on behalf of a Local authority or company. Where income-tax has been deducted from the interest, or where the interest has been paid income-tax free, the amount of tax so deducted or paid should be added to the amount of interest actually received, and the gross amount so arrived at should be entered in column 2 of the statement. The term "interest on securities" does not include interest on fixed deposits or mortgages or other loans, which have to be shown under heading 8.

The interest on securities of the Government of India or of Local Governments declared to be income-tax free should be shown under head 3. Those which are not declared to be income-tax free should be included under this head.

Entries under this head must be supported by the certificate issued by the person or company paying the interest under section 18 (9) of the Act.

NOTE 3.—(*a*) The income-tax payable on the interest receivable on a security of a Local Government issued income-tax free is payable by the Local Government and not by the holder of the security.

(*b*) Only the interest on securities of the Government of India or of a Local Government declared to be income-tax free should be entered against this head. Such interest will not be charged to income-tax but it must be included in the statement of total income in order to ascertain the rate of income-tax chargeable on other income. *It is chargeable to super-tax.*

(*c*) Particulars of any interest on securities issued by other authorities and stated to be free of income-tax should be entered against head 2, as income-tax on such interest is actually paid by these authorities on behalf of the recipients.

NOTE 4.—The tax is payable under this head in respect of the *bona fide* annual value of any buildings or lands appurtenant thereto, of which you are the owner, other than such portions of such buildings and lands as you may occupy for the purpose of your business.

SCHEDULE A.

Serial number	Name of village or town where the property is situated	Name of street and number of property	In the case of municipalities the name of the person in whose name the property stands in the municipal registers	Whether the property is occupied by owner or is let	Annual letting value of the property	Period during which the property remained vacant	Amount of rent actually received for the property if let	Deductions								Net amount to be carried over to the front of the form
								One-sixth of the annual letting value shown in column 6	Premium paid to insure the property against damage or destruction	Interest paid on a mortgage or charge on the property	Ground rent paid for the property	Land revenue paid for the property	Collection charges paid	Amount claimed on account of property remaining vacant	Total of columns 8 to 13 and 13A	
1	2	3	4	5	6	6A	7	8	9	10	11	12	13	13A	14	15

NOTE 5.—(*a*) Where you keep your accounts on the mercantile accountancy or book profits system, you must file a return in the following form :—

INCOME, PROFITS OR GAINS FROM BUSINESS, TRADE COMMERCE.

	Rs.	A.
Income, profits or gains as per Profit and Loss Account for the year ended .....192 .		
Add any amount debited in the accounts in respect of— .		
1. Reserve for bad debts		
2. Sums carried to reserve for provident or other funds ...		
3. Expenditure of the nature of charity or presents		
4. Expenditure of the nature of capital		
5. Income-tax or super-tax		
6. Drawings of salary of proprietor or partners		
7. Rental value of property owned and occupied		
8. Cost of additions to, or alterations, extensions, improvements of any of the assets of the business.		
9. Interest on the proprietor's or partner's capital, including interest on reserve or other funds.		
10. Losses sustained in former years		
11. Losses recoverable under an insurance or contract of indemnity		
12. Depreciation of any of the assets of the business		
13. Private or personal expenses and expenses not incurred solely for the purpose of earning the profits.		
Total ...	...	...
Deduct.—Any profits included in the account already charged to Indian Income-tax and the interest on securities of the Government of India or of Local Governments declared to be income-tax free.		
Balance		

(Signature of the person making the return.)

Dated.....192 .

Where you do not keep your accounts in such a form, you must file a statement showing how you arrive at the taxable profits, *i.e.*, showing details of the gross receipts and of the expenditure you propose to set against those receipts. No deductions are permissible on account of—

(*i*) Property owned and occupied by the owner of the business for the purposes of a business ;

(*ii*) Additions to, or alterations, extensions, or improvements of, any of the assets of the business ;

(*iii*) Interest on the capital of the proprietors of partners of the business ;

(*iv*) Bad debts not actually written off in the accounts ;

(*v*) Losses sustained in previous years ;

(*vi*) Reserves of any kind ;

(*vii*) Sums paid on account of the income-tax or super-tax or any tax levied by a local authority other than local rates or municipal taxes in respect of the portion of the premises used for the purpose of the business ;

(*viii*) Any expenditure of the nature of charity or a present ;

(*ix*) Any expenditure of the nature of capital ;

(*x*) Any loss recoverable under an insurance or a contract of indemnity ;

(*xi*) Depreciation of any kind other than that specified in the Act ;

(*xii*) Drawings or salaries of the proprietors or the partners ;

(*xiii*) Private or personal expenses of the assessee ;

(*xiv*) Any expenditure of any kind which is not incurred solely for the purpose of earning the profits.

If you have included any such sums in your expenditure in your books, you must exclude them from the expenditure permissible for the purpose of arriving at your taxable profits.

NOTE 6.—The income, profits or gains shall be computed after making allowance for any expenditure (not being in the nature of capital expenditure) incurred *solely* for the purpose of such profession or vocation, provided that no allowance is made on account of any of your personal expenses. Professional fees received by you in any part of India (whether within British India or not) must be included by you in your receipts.

NOTE 7.—Income-tax chargeable on the profits of companies is paid by the companies, so that the dividends received by shareholdars represent the net amount remaining after any income-tax due by the company has been paid. This amount should be entered in column 2 of the statement. The proportionate tax will be added in the Income-tax Office.

If the rate of tax applicable to your total income is less than the rate of income-tax applicable to the profits or gains of the company at the time of the declaration of such dividends, you may, by attaching the company's certificate received with the divideds, have the excess collected on your dividends from the company set against the tax payable by you on your other income instead of having to apply separately for a refund.

Where a company derives a part of its profits in British India and part outside British India, such portion of its dividend as is payable out of profits taxable in British India should be shown in Part I under item 7 and the balance in Part II under item 6.

NOTE 8.—Agricultural income from land not paying land revenue or local rates to an authority in British India should be included under this head.

NOTE 9.—Deductions from total income can only be made for insurance premia in respect of insurance in your own life or on the life of your wife, or in respect of a contract for a deferred annuity on your own life or on the life of your wife. No deduction is permissible in the case of any other form of insurance except in the case of Hindu undivided families where deductions are permissible on account of premia paid in respect of insurance on the life of any male member of the family or of his wife. The original receipt or the certificate of the insurance company to which the premium was paid must be attached to the return.

NOTE 10.—The gross amount of salary and not the net amount after deductions on account of income-tax, provident fund, etc., should be shown.

NOTE 11.—Under this head should be shown interest on securities issued by the Government of India or a Local Government or a local authority in India on which interest is paid or payable outside British India, and the interest on debentures of companies operating in India paid or payable outside British India. For this purpose "Company" mean "a company as defined in the Indian Companies Act, 1913, or formed in pursuance of an Act of Parliament or of Royal Charter or Letters Patent, or of an Act of the Legislature of a British possession, and includes any foreign association carrying on business in British India whether incorporated or not, and whether its principal place of business is situate in British India or not, which the Central Board of Revenue may, by general or special order, declar to be a company for the purposes of this Act." Interest on all other securities should be shown under item 7—see Note 16. Interest should be shown gross if foreign tax is deducted therefrom after the assessee receives the interest; if the tax is deducted at source, the net interest received should be shown.

NOTE 12.—See instructions in Note 4.

NOTE 13. The details should be given as explained in Note 5, but there will be no "deduct" entry on account of profits included in the amount already charged to Indian income-tax and the interest on securities of the Government of India or a Local Government in India declared to be income-tax free.

NOTE 14.—This should show professional fees received outside British India.

NOTE 15.—The figure to be shown here is the amount actually received by the shareholder irrespective of whether the dividends are declared free of tax or not.

Where a company derives a part of its profits in British India and part outside British India, such portion of its dividend as is payable out of profits taxable in British India should be shown in Part I under item 7 and the balance in Part II under item 6.

NOTE 16.—This head will include *inter alia* interest on all securities other than those entered in item 2, see Note 11. Interest should be shown gross if foreign tax is deducted therefrom after the assessee receives the interest; if the tax is deducted at source, the net interest received should be shown.

NOTE 17.—Agricultural income from land not included in Part I should be shown under this head.

4. In rules 38 and 39 of the said Rules after the words and figures " rule 36 " the words and figures " or rule 36-A " shall be inserted.

D. Gladding,
Offg. Secretary, Central Board of Revenue.

C. No. 37/973-I.T./26.

Copy forwarded to all Commissioners of Income-tax and all Chambers of Commerce.

By Order, etc.,
Ram Nath,
For Secy. Central Board of Revenue.

2. Attention is invited to Rule 36 A of the Indian Income-tax Rules, which provides that an applicant for refund of income-tax resident in an Indian State shall swear to a declaration of his total income before a Magistrate or other official or a Political Officer.

3. All officers of the Mysore Government are requested to afford facilities to intending applicants to swear such declarations before them.

No Fl. 5932—*Ex.* 18-28-25, *dated* 5—6*th February* 1929.

The names of gentlemen, elected and nominated as members of the several Excise Licensing Boards of the Bangalore District, are notified hereunder for general information:—

KANKANHALLI.

Elected Members.	*Nominated Members.*
1 Mr. M Veeregowda	1 Mr. Gurukar Venkataramana Gowda
2 ,, K Y I Venkatachalaiya	2 ,, K Mahamud Alli Saheb

CHANNAPATNA.

Elected Members.	*Nominated Members.*
1 Mr. C N Ramachandra Rao	1 Mr. K S Ramakrishna Iyengar
2 ,, P R Bhavarajaiya	2 ,, C Narasimha Reddy

MAGADI.

Elected Members.	*Nominated Members.*
1 Mr. M Rangaswamy Iyengar	1 Mr. M Krishna Rao
2 ,, Rangaswamy Chetty	2 ,, Abdul Rasool Saheb

DEVANHALLI.

Elected Members.	*Nominated Members.*
1 Mr. K Rudrappa	1 Mr. Yele Krishnappa
2 ,, A Appiah Setty	2 ,, G K Gupta

By Order,
B. SREENIVASA IYENGAR,
Secretary to Government,
Financial Department.